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INFORMATION REPORT

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COUNTRY Germany (Russian Zone)

DATE DISTR. 1 December 1950

SUBJECT Establishment of a "Management Department"
at the Regional Railroad Headquarters

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THIS IS UNEVALUATED INFORMATION

1. The Soviet Zone Directorate General, Railroads, has decreed that effective 1 September 1950 a new department "Management" be set up at all regional railroad headquarters. For the time being this new department will be assigned to Department XI (finances). Its missions include:
 - a. Study of management problems in the technical and financial fields.
 - b. Introduction of business principles for the making up of balances and the keeping of accounts.
 - c. Training of railroad personnel.
 - d. Reorganization of all railroad shops along the lines of modern business and production principles.
 - e. Introduction of the principles of sound production engineering in cooperation with Department XII (Labor and Wages).
 - f. Introduction of modern book-keeping principles and methods.
 - g. Procurement of vouchers and book-keeping forms.
 - h. Rendering of assistance to the railroad offices in making up accounts.
 - i. Collection and evaluation of pertinent statistical data. *
2. The newly established "Management Department" carries the numerical designation 113 at the Berlin regional railroad headquarters. **
3. The Soviet Zone railroad offices will be reorganized effective 1 January 1951. The main features of the new organization will be:
 - a. Every train assembly station will be given, within its specific district, the authority of a "Reichsbahnamt" (railroad office) and will be headed by a director. The newly created administrative railroad unit will be called "VEB Betrieb Reichsbahn" (Nationalized Enterprise, Railroads).

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- b. These new enterprises will have to operate on a self-supporting basis and will follow established business principles. **

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4.

[redacted] the conversion of the German Railroads into an association of nationalized enterprises is planned. The pertinent organization measures are to be executed by late December 1950 so that by 1 January 1951 the former German State Railroads will be replaced by "Nationalized Enterprises, Railroads." As far as is known, the Central and the various regional railroad headquarters will be deactivated. Every nationalized railroad enterprise will be assigned a specific district and the individual enterprises will be joined into an "Association of Nationalized Enterprises, Railroads". **

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* [redacted] Comment. It seems that the trips to Moscow made in May and June 1950 by Professor Reingruber, Minister of Traffic, and Erwin Kramer, Deputy Director General, Railroads, were connected with the intended reorganization of the German State Railroads into an "Association of Nationalized Enterprises" patterned after the Soviet railroad system and along the lines of the nationalized Soviet Locomotive industry. Pertinent information pamphlets have already been circulated and the organization of the Rail Workers' Union was exploited for propaganda. However, the intended reorganization is meeting with considerable skepticism since the old German railroad system, which is based on extensive experience, has proved satisfactory.

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** [redacted] Comment. The setting up of a new "Management" department is probably a measure connected with the intended reorganization of the railroad system.

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